



NEWS RELEASE

US DEPARTMENT OF THE INTERIOR ■ BUREAU OF LAND MANAGEMENT
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Additional Proposed Changes to Federal Oil and Gas Regulations Would Improve Energy Development on Public Lands

In a move that will help the nation meet its energy needs, the Bureau of Land Management and the Forest Service are jointly proposing further revisions of regulations governing oil and gas activity on the public lands. These further proposed revisions supplement an earlier proposal – published by the two agencies in July 2005 – that would revise an existing set of regulations known as Onshore Oil and Gas Order Number 1. The Order’s regulations establish the requirements that companies must meet to obtain approval for oil and gas exploration and development on all Federal and Indian lands (except those of the Osage Tribe).

“America needs environmentally sound energy development to ensure its economic well-being and national security,” said Tom Lonnie, the BLM’s Assistant Director for Minerals, Realty and Resource Protection. “This nation’s onshore public lands contain abundant supplies of energy, so updating Federal oil and gas regulations are an essential part of securing our country’s energy future.”

Lonnie noted that, based on government estimates, Federal lands contain significant amounts of undiscovered onshore oil and natural gas. A detailed oil and gas inventory found that Federal lands in five key Western geologic basins – located in Montana, Wyoming, Utah, Colorado, and New Mexico – contain nearly 140 trillion cubic feet of natural gas, which is enough natural gas to supply 55 million homes for the next 30 years.

The BLM’s and Forest Service’s latest proposed regulatory revisions, published in today’s *Federal Register*, would implement portions of the Energy Policy Act of 2005 by making Order Number 1’s drilling permit provisions consistent with those in the Act. The new energy law contains a timeline for processing drilling permit applications – known as Applications for Permits to Drill (APDs) – that differs slightly from the one contained in the regulatory proposal of July 2005. Besides making the timeline in Order Number 1 consistent with that in the Energy Policy Act, today’s further proposed revision specifies what constitutes a “complete” APD package. This latest proposal also makes clear that the BLM and Forest Service intend to continue requiring an on-site inspection before determining that an APD package is complete.

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In addition, the proposal published today would require additional bonding in split-estate situations where a lessee cannot reach agreement with an Indian surface owner. This provision would put into regulatory form the BLM's existing policy regarding split-estate circumstances involving Indian surface owners. (Split-estate lands are those on which the surface is owned by a private or other non-Federal party while the Federal government owns the sub-surface minerals. Under the Bureau's existing split-estate policy, oil and gas developers must make a good-faith effort to reach an access agreement with surface owners. In cases where an agreement is not reached, developers must obtain a bond that provides for compensation to owners for certain economic losses, as specified by law.)

The *Federal Register* notice published today opens up a 30-day comment period during which the public may submit written comments on the further proposed revisions to Onshore Oil and Gas Order Number 1. (The notice also re-opens for 30 days the comment period on the July 2005 regulatory proposal.) Those who would like to comment may mail their comments to: Director (630), Bureau of Land Management, Eastern States Office, 7450 Boston Boulevard, Springfield, Virginia, 22153, Attention: RIN 1004-AD59. Comments may also be hand-delivered to 1620 L Street N.W., Suite 401, Washington, D.C. 20036. Comments may also be e-mailed to: comments_washington@blm.gov (include "Attn: AD59" in the subject line).

The BLM, an agency of the U.S. Department of the Interior, manages more land – 261 million surface acres – than any other Federal agency. Most of this land is located in 12 Western States, including Alaska. With a budget of about \$1.8 billion, the Bureau also administers 700 million acres of sub-surface mineral estate throughout the nation.

The Forest Service, an agency of the U.S. Department of Agriculture, manages 193 million acres of Federal lands in 44 states, Puerto Rico, and the Virgin Islands.

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